

111TH CONGRESS
1ST SESSION

H. R. 193

To amend the Social Security Act and the Internal Revenue Code of 1986 to provide for an AmeriCare that assures the provision of health insurance coverage to all residents, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 6, 2009

Mr. STARK introduced the following bill; which was referred to the Committee on Energy and Commerce, and in addition to the Committees on Ways and Means and Education and Labor, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To amend the Social Security Act and the Internal Revenue Code of 1986 to provide for an AmeriCare that assures the provision of health insurance coverage to all residents, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “AmeriCare Health Care Act of 2009”.

6 (b) TABLE OF CONTENTS.—The table of contents of
7 this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—HEALTH CARE ELIGIBILITY AND BENEFITS

Sec. 101. Eligibility and benefits.

“TITLE XXII—AMERICARE HEALTH BENEFITS

“PART A—ELIGIBILITY

“Sec. 2201. Eligibility.

“Sec. 2202. Enrollment and AmeriCare Cards.

“PART B—BENEFITS

“Sec. 2221. Scope of benefits.

“Sec. 2222. Exclusions.

“PART C—PAYMENT FOR BENEFITS AND FINANCING

“Sec. 2241. Payments for benefits.

“Sec. 2242. AmeriCare trust fund.

“PART D—ENTITLEMENT VERIFICATION SYSTEM

“Sec. 2251. Requirement for entitlement verification system.

“PART E—GENERAL PROVISIONS

“Sec. 2261. Definitions relating to beneficiaries and income.

“Sec. 2262. Incorporation of certain medicare provisions and other provisions.

“Sec. 2263. State maintenance of effort payments.

“Sec. 2264. Modification of medicaid and other programs to avoid duplication of benefits.

“Sec. 2265. Construction regarding continuation of obligations under current group health plan contracts and provision of additional benefits.

“Sec. 2266. Standards and requirements for AmeriCare supplemental policies.

TITLE II—FINANCING PROVISIONS

Subtitle A—Individual Contributions

Sec. 201. General obligation for individuals.

Sec. 202. Additional premium subsidies.

Sec. 203. Effective date.

Subtitle B—Employer Contributions

Sec. 211. General obligation for employers.

Sec. 212. Effective date.

1 **TITLE I—HEALTH CARE**
 2 **ELIGIBILITY AND BENEFITS**

3 **SEC. 101. ELIGIBILITY AND BENEFITS.**

4 (a) IN GENERAL.—The Social Security Act is amend-
 5 ed by adding at the end the following new title:

6 **“TITLE XXII—AMERICARE**
 7 **HEALTH BENEFITS**

8 **“PART A—ELIGIBILITY**

9 **“SEC. 2201. ELIGIBILITY.**

10 “(a) UNIVERSAL ELIGIBILITY FOR RESIDENTS.—

11 “(1) IN GENERAL.—Except as provided in sec-
 12 tion 2263(a), each individual who is a resident of
 13 the United States is entitled to health insurance
 14 benefits under this title.

15 “(2) EFFECTIVE DATE FOR BENEFITS.—This
 16 title shall apply to items and services furnished on
 17 or after January 1, 2011.

18 “(b) SPECIAL ELIGIBILITY GROUPS.—For purposes
 19 of this title, an individual described in subsection (a) may
 20 obtain special benefits under this title on the basis of one
 21 or more of the following special eligibility groups:

22 “(1) Children (as defined in section
 23 2261(a)(1)).

24 “(2) Low-income individuals (as defined in sec-
 25 tion 2261(a)(2)).

1 “(3) Pregnant women (as defined in section
2 2261(a)(3)).

3 “(c) RECIPROCAL COVERAGE OF NONRESIDENTS.—

4 An individual who—

5 “(1) is not a resident of the United States,

6 “(2) is in the United States, and

7 “(3) is a national of a foreign state which pro-
8 vides health benefits to nationals of the United
9 States who are nonresidents in that state,

10 is entitled to such health insurance benefits under this
11 title, but only to the extent the Secretary determines that
12 such benefits would be available to nationals of the United
13 States similarly situated as a nonresident in the foreign
14 state.

15 **“SEC. 2202. ENROLLMENT AND AMERICARE CARDS.**

16 “(a) ENROLLMENT.—The Secretary shall provide a
17 mechanism for the enrollment of individuals entitled to
18 benefits under this title and, in conjunction with such en-
19 rollment, the issuance of an AmeriCare card which may
20 be used for purposes of identification and processing of
21 claims for benefits under this title. AmeriCare cards shall
22 identify (as appropriate) the date of birth (for purposes
23 of identifying children) and provide a coded means for
24 identifying whether the individual is a low-income indi-
25 vidual for the year involved.

1 “(b) CLASSES OF ENROLLMENT.—The mechanism
2 under subsection (a) shall provide for individuals to be en-
3 rolled on the basis of the following classes of enrollment:

4 “(1) Coverage only of an individual.

5 “(2) Coverage of a married couple without chil-
6 dren.

7 “(3) Coverage of an unmarried individual and
8 one or more children.

9 “(4) Coverage of a married couple and one or
10 more children.

11 “(c) ENROLLMENT AT BIRTH.—The mechanism
12 under subsection (a) shall include a process for the auto-
13 matic enrollment of individuals at the time of birth in the
14 United States.

15 “(d) OPT FOR THOSE COVERED UNDER GROUP
16 HEALTH PLAN.—Notwithstanding any other provision of
17 this title, an individual may elect not to be enrolled for
18 benefits under this title if the individual demonstrates to
19 the satisfaction of the Secretary that the individual has
20 health benefits coverage under a group health plan (as de-
21 fined in section 5000(b)(1) of the Internal Revenue Code
22 of 1986) that is at least equivalent to the coverage other-
23 wise provided under this title, as certified by the Sec-
24 retary.

“PART B—BENEFITS**“SEC. 2221. SCOPE OF BENEFITS.**

“(a) IN GENERAL.—Except as provided in the succeeding provisions of this part, the benefits provided to an individual described in section 2201(a) by the program established by this title shall consist of entitlement to the same benefits as are provided under parts A and B of title XVIII to individuals entitled to benefits under part A, and enrolled under part B, of title XVIII.

“(b) CHANGE IN THE COST-SHARING.—

“(1) DEDUCTIBLE.—Except as provided in the succeeding provisions of this part, the amount of expenses (other than expenses for benefits described in subsection (c)) with respect to which an individual is entitled to have payment made under this title for any year shall first be reduced by a deductible of \$350, except that in no case shall the amount of the deductible for all the members of a family exceed \$500. Such deductible shall be instead of the deductible for inpatient hospital services under the first sentence of section 1813(a)(1) and the deductible under section 1833(b).

“(2) COINSURANCE.—After the application of the deductible under paragraph (1), the expenses referred to in such paragraph shall be subject to a co-

1 insurance of 20 percent until the limit on out-of-
2 pocket expenses under paragraph (3) is met.

3 “(3) LIMIT ON OUT-OF-POCKET EXPENSES AND
4 TOTAL EXPENSES.—

5 “(A) LIMITATION ON COST-SHARING.—

6 Subject to subparagraph (B), whenever in a cal-
7 endar year an individual’s expenses for the de-
8 ductible and coinsurance with respect to serv-
9 ices covered under this title (including expenses
10 for benefits described in subsection (c)) and
11 furnished during the year equals \$2,500, or
12 \$4,000 for all the members of a family, pay-
13 ment of benefits under this title for the indi-
14 vidual (or for the members of such family, re-
15 spectively) for services furnished during the re-
16 mainder of the year shall be paid without the
17 application of any coinsurance.

18 “(B) LIMITATION ON PREMIUMS AND
19 COST-SHARING FOR CERTAIN INDIVIDUALS
20 BASED ON INCOME.—

21 “(i) INCOME BETWEEN 200 AND 300
22 PERCENT OF POVERTY LINE.—In the case
23 of a family whose applicable modified gross
24 income (expressed as a percentage of the
25 poverty level, as defined in section

1 2261(b)(2)) is equal to or exceeds 200 per-
2 cent, but does not exceed 300 percent, of
3 the poverty level applicable to a family of
4 the size involved, whenever in a calendar
5 year an individual's expenses in the family
6 for premiums under this title and for the
7 deductible and coinsurance with respect to
8 services covered under this title (including
9 expenses for benefits described in sub-
10 section (c)) and furnished during the year
11 equals 5 percent of the amount of such ap-
12 plicable modified gross income for the fam-
13 ily—

14 “(I) no additional premiums shall
15 be imposed for remaining months in
16 the year; and

17 “(II) payment of benefits under
18 this title for members of such family
19 for services furnished during the re-
20 mainder of the year shall be paid
21 without the application of any deduct-
22 ible or coinsurance.

23 “(ii) INCOME BETWEEN 300 AND 500
24 PERCENT OF POVERTY LINE.—In the case
25 of a family whose applicable modified gross

1 income (expressed as a percentage of the
2 poverty level, as defined in section
3 2261(b)(2)) exceeds 300 percent, but does
4 not exceed 500 percent, of such poverty
5 level applicable to a family of the size in-
6 volved, whenever in a calendar year an in-
7 dividual's expenses in the family for pre-
8 miums under this title and for the deduct-
9 ible and coinsurance with respect to serv-
10 ices covered under this title (including ex-
11 penses for benefits described in subsection
12 (c)) and furnished during the year equals
13 7.5 percent of the amount of such applica-
14 ble modified gross income for the family—

15 “(I) no additional premiums shall
16 be imposed for remaining months in
17 the year; and

18 “(II) payment of benefits under
19 this title for members of such family
20 for services furnished during the re-
21 mainder of the year shall be paid
22 without the application of any deduct-
23 ible or coinsurance.

24 “(C) COUNTING ALL EXPENSES FOR PRE-
25 MIUMS, DEDUCTIBLES AND COINSURANCE

1 WITHOUT REGARD TO TRUE OUT-OF-POCKET
2 COSTS.—In applying subparagraphs (A) and
3 (B), expenses for an individual’s premiums, de-
4 ductible, and coinsurance shall be counted with-
5 out regard to whether such expenses are paid,
6 payable, reimbursed, or reimbursable by an-
7 other person, including through a group health
8 plan, insurance or otherwise, or other third
9 party payment arrangement.

10 “(4) INDEXING DOLLAR AMOUNTS BY CPI.—
11 Each dollar amount specified in paragraphs (1) and
12 (3)(A) shall be increased to the year involved by the
13 compounded sum of the increase in the consumer
14 price index for all urban consumers (U.S. City aver-
15 age, as published by the Bureau of Labor Statistics
16 of the Department of Labor) for each year after
17 2009 and up to the year involved. Any increase
18 under this paragraph for a year shall be rounded,
19 with respect to paragraph (1), to the nearest mul-
20 tiple of \$5 and, with respect to paragraph (2), to the
21 nearest multiple of \$100.

22 “(c) PRESCRIPTION DRUGS.—Benefits shall also be
23 made available under this title (as specified by the Sec-
24 retary) for prescription drugs and biologicals which are
25 not less than the benefits for such drugs and biologicals

1 under the standard option for the service benefit plan de-
2 scribed in section 8903(1) of title 5, United States Code,
3 offered during 2008.

4 “(d) CHILDREN.—

5 “(1) NO DEDUCTIBLES OR COINSURANCE.—In
6 the case of children (as defined in section
7 2261(a)(1)), there shall be no deductible or coinsur-
8 ance applicable to covered benefits (including bene-
9 fits described in paragraphs (2) and (3)).

10 “(2) ADDITIONAL PREVENTIVE BENEFITS.—

11 “(A) IN GENERAL.—Subject to the perio-
12 dicity schedule established with respect to the
13 services under subparagraph (B), for children
14 benefits shall be available under this title for
15 the following items and services:

16 “(i) Newborn and well-baby care, in-
17 cluding normal newborn care and pediatri-
18 cian services for high-risk deliveries.

19 “(ii) Well-child care, including routine
20 office visits, routine immunizations (includ-
21 ing the vaccine itself), routine laboratory
22 tests, and preventive dental care.

23 “(B) PERIODICITY SCHEDULE.—The Sec-
24 retary, in consultation with the American Acad-
25 emy of Pediatrics and the American Dental As-

1 society, shall establish a schedule of perio-
2 dicity which reflects the general, appropriate
3 frequency with which services listed in subpara-
4 graph (A) should be provided to healthy chil-
5 dren.

6 “(3) COVERAGE OF EPSDT.—For children, ben-
7 efits also shall be available under this title for early
8 and periodic screening, diagnostic, and treatment
9 services (as defined in section 1905(r)) not otherwise
10 covered under paragraph (2).

11 “(4) OTHER ADDITIONAL SERVICES FOR CHIL-
12 DREN.—For children, benefits also shall be available
13 under this title for the following:

14 “(A) Inpatient hospital services (without
15 regard to the restrictions described in sub-
16 sections (a)(1) and (b)(1) of section 1812 and
17 the coinsurance described in section
18 1813(a)(1)).

19 “(B) Eyeglasses and hearing aids, and ex-
20 aminations therefor.

21 “(e) PREGNANCY-RELATED SERVICES.—In the case
22 of a pregnant woman (as defined in section 2261(a)(3)),
23 benefits under this title shall include entitlement to have
24 payment made for the following, without the application
25 of a deductible or coinsurance:

1 “(1) Prenatal care, including care for all com-
2 plications of pregnancy.

3 “(2) Inpatient labor and delivery services.

4 “(3) Postnatal care.

5 “(f) LOWER-INCOME INDIVIDUALS.—

6 “(1) LIMITATIONS ON DEDUCTIBLES AND COIN-
7 SURANCE.—

8 “(A) NONE FOR LOW-INCOME INDIVID-
9 UALS.—In the case of a low-income individual,
10 there shall be no deductible or coinsurance
11 under this title.

12 “(B) PHASE-IN FOR OTHER LOWER-IN-
13 COME INDIVIDUALS.—In the case of an indi-
14 vidual whose applicable modified gross income
15 (as defined in section 2261(b)(1)) exceeds twice
16 the poverty level (as defined in section
17 2261(b)(2)) but does not exceed three times the
18 poverty level, the deductible and coinsurance
19 applicable under this title shall bear the same
20 ratio to the deductible or coinsurance otherwise
21 applicable as—

22 “(i) the excess of the applicable modi-
23 fied gross income over the poverty level,
24 bears to

25 “(ii) the poverty level.

1 If the ratio determined under the preceding
2 sentence is not a multiple of 25 percentage
3 points, such ratio shall be rounded to the near-
4 est 25 percentage points.

5 “(2) ADDITIONAL BENEFITS FOR LOW-INCOME
6 INDIVIDUALS.—In the case of low-income individuals
7 (as defined in section 2261(a)(2)), benefits under
8 this title shall also include entitlement to have pay-
9 ment made for the following, without the application
10 of a deductible or coinsurance:

11 “(A) Inpatient hospital services (without
12 regard to the restrictions described in sub-
13 sections (a)(1) and (b)(1) of section 1812 and
14 the coinsurance described in section
15 1813(a)(1)).

16 “(B) Eyeglasses and hearing aids and ex-
17 aminations therefor.

18 “(g) PREVENTIVE BENEFITS.—Benefits shall also be
19 made available under this title, without the application of
20 any deductible or coinsurance for preventive services that
21 are recommended by the United States Preventive Serv-
22 ices Task Force.

23 “(h) MENTAL HEALTH PARITY AND SUBSTANCE
24 ABUSE BENEFITS.—Benefits shall be made available
25 under this title for mental health services and for sub-

1 stance abuse treatment in the same manner as such bene-
2 fits are made available for medical and surgical services.

3 “(i) FAMILY PLANNING SERVICES.—Benefits shall be
4 made available under this title for family planning serv-
5 ices.

6 “(j) CONFORMING MEDICARE BENEFITS.—Notwith-
7 standing any other provision of law, benefits under title
8 XVIII shall be expanded and conformed to the benefits
9 made available under this title (including the application
10 of a single deductible and uniform coinsurance amounts,
11 a limitation on the coinsurance, and additional benefits for
12 low-income individuals under subsection (f)), but nothing
13 in this subsection shall be construed as providing for any
14 such additional benefits under this title rather than under
15 such title.

16 “(k) ENROLLMENT IN HEALTH PLANS.—The Sec-
17 retary shall provide for the offering of benefits under this
18 title through enrollment in a health benefit plan that
19 meets the same (or similar) requirements as the require-
20 ments that apply to Medicare Advantage plans under part
21 C of title XVIII (other than any such requirements that
22 relate to part D of such title). In the case of individuals
23 enrolled under this title in such a plan, the payment rate
24 to the plan under this title shall be based on adjusted aver-
25 age per capita cost (AAPCC) payment rate methodology

1 described in section 1853(c)(1)(D) for benefits under this
2 title and for individuals entitled to benefits under this title
3 who are not enrolled in such a plan.

4 **“SEC. 2222. EXCLUSIONS.**

5 “(a) IN GENERAL.—Except as provided in this sec-
6 tion, section 1862 shall apply to expenses incurred for
7 items and services provided under this title the same man-
8 ner as such section applies to items and services provided
9 under title XVIII.

10 “(b) BENEFITS EXCEPTION.—

11 “(1) CHILDREN’S SERVICES.—In applying sec-
12 tion 1862(a) with respect to services described in
13 section 2221(d)(2)(A) (relating to well-child serv-
14 ices), payment shall not be denied under paragraph
15 (1), (7), or (12) of such section 1862(a) if the serv-
16 ices are provided in accordance with the periodicity
17 schedule described in section 2221(d)(2)(B).

18 “(2) TREATMENT OF EYEGLASSES AND HEAR-
19 ING AIDS FOR CHILDREN AND LOW-INCOME INDIVID-
20 UALS.—Payment shall not be denied under this title
21 under section 1862(a)(7) with respect to eyeglasses
22 and hearing aids and examinations therefor in the
23 case of children and low-income individuals.

24 “(c) COORDINATION OF PAYMENTS.—

4 “(2) SECONDARY TO MEDICARE.—Payment
5 shall not be made under this title with respect to
6 benefits to the extent that payment for such benefits
7 may be made under title XVIII.

10 **“SEC. 2241. PAYMENTS FOR BENEFITS.**

13 “(1) payment of benefits under this title with
14 respect to benefits shall be made on the same basis
15 as payment is made with respect to such benefits
16 under title XVIII, and

“(2) the provisions of sections 1814, 1833,
1834, 1842, 1848, and 1886 shall apply to payment
of benefits under this title in the same manner as
they apply to benefits under title XVIII.

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1 charges for services other than on an assignment-related
2 basis, the Secretary may apply sanctions against such en-
3 tity in accordance with section 1842(j)(2).

4 “(c) ADJUSTMENT OF PAYMENTS.—

5 “(1) ESTABLISHMENT OF NEW DRGS AND
6 WEIGHTS.—In making payment under this title with
7 respect to inpatient hospital services, the Secretary
8 shall establish such additional diagnosis-related
9 groups (and weighting factors with respect to dis-
10 charges within such groups) and make such adjust-
11 ments in the diagnosis-related groups and weighting
12 factors with respect to discharges within such groups
13 otherwise established under section 1886(d)(4) as
14 may be necessary to reflect the types of discharges
15 occurring under this title which are not occurring
16 under title XVIII.

17 “(2) PAYMENT FOR OBSTETRICAL SERVICES.—

18 “(A) GLOBAL FEE.—In making payment
19 under this title with respect to the group of ob-
20 stetrical services typical of treatment through-
21 out a course of pregnancy, the Secretary shall
22 establish, as a schedule under section 1848, a
23 global fee with respect to such group of serv-
24 ices.

1 “(B) BONUS FOR EARLY PRESEN-
 2 TATION.—The fee schedule amount with respect
 3 to obstetrical services under this title shall be
 4 increased by 5 percent in the case of services
 5 furnished to women who have presented for pre-
 6 natal care during the first trimester.

7 “(d) CONDITIONS OF AND LIMITATIONS ON PAY-
 8 MENTS.—The provisions of sections 1814 and 1835 shall
 9 apply to payment for services under this title in the same
 10 manner as they apply to payment for services under parts
 11 A and B, respectively, of title XVIII.

12 “(e) USE OF TRUST FUND.—In carrying out this sec-
 13 tion, any reference in title XVIII to a trust fund shall be
 14 treated as a reference to the AmeriCare Trust Fund estab-
 15 lished under section 2242.

16 “(f) PAYMENT FOR OUTPATIENT PRESCRIPTION
 17 DRUGS AND BIOLOGICALS.—The Secretary shall establish
 18 a fee schedule for the payment for outpatient prescription
 19 drugs and biologicals under this title and, notwithstanding
 20 section 1860D–11(i)(1), under title XVIII. The Secretary
 21 shall negotiate with pharmaceutical manufacturers with
 22 respect to the purchase price of such drugs and biologicals
 23 and shall encourage the use of more affordable therapeutic
 24 equivalents to the extent such practices do not override
 25 medical necessity, as determined by the prescribing physi-

1 cian. To the extent practicable and consistent with the
 2 previous sentence, the Secretary shall implement strate-
 3 gies similar to those used by other Federal purchasers of
 4 prescription drugs, and other strategies, to reduce the pur-
 5 chase cost of outpatient prescription drugs and biologicals.

6 **“SEC. 2242. AMERICARE TRUST FUND.**

7 “(a) ESTABLISHMENT.—

8 “(1) There is hereby created on the books of
 9 the Treasury of the United States a trust fund to
 10 be known as the ‘AmeriCare Trust Fund’ (in this
 11 section referred to as the ‘Trust Fund’). The Trust
 12 Fund shall consist of such gifts and bequests as may
 13 be made as provided in section 201(i)(1) and
 14 amounts appropriated under paragraph (2).

15 “(2) There are hereby appropriated to the
 16 Trust Fund amounts equivalent to 100 percent of
 17 the increase in revenues to the Treasury by reason
 18 of the provisions of and amendments made by title
 19 II of the AmeriCare Health Care Act of 2009. The
 20 amounts appropriated by the preceding sentence
 21 shall be transferred from time to time from the gen-
 22 eral fund in the Treasury to the Trust Fund, such
 23 amounts to be determined on the basis of estimates
 24 by the Secretary of the Treasury of the increase in
 25 revenues which are paid to or deposited into the

1 Treasury; and proper adjustments shall be made in
2 amounts subsequently transferred to the extent prior
3 estimates were in excess of or were less than such
4 increase.

5 “(b) INCORPORATION OF PROVISIONS.—

6 “(1) IN GENERAL.—Subject to paragraph (2),
7 the provisions of subsections (b) through (e) and (g)
8 through (i) of section 1817 shall apply to the Trust
9 Fund in the same manner as they apply to the Fed-
10 eral Hospital Insurance Trust Fund.

11 “(2) EXCEPTIONS.—In applying paragraph
12 (1)—

13 “(A) the Board of Trustees and Managing
14 Trustee of the Trust Fund shall be composed of
15 the members of the Board of Trustees and the
16 Managing Trustee, respectively, of the Federal
17 Hospital Insurance Trust Fund; and

18 “(B) any reference in section 1817 to the
19 Federal Hospital Insurance Trust Fund or to
20 title XVIII (or part A thereof) is deemed a ref-
21 erence to the Trust Fund under this section
22 and this title, respectively.

1 **“PART D—ENTITLEMENT VERIFICATION SYSTEM**

2 **“SEC. 2251. REQUIREMENT FOR ENTITLEMENT**
3 **VERIFICATION SYSTEM.**

4 “(a) IN GENERAL.—

5 “(1) REQUIREMENT.—The Secretary with re-
6 spect to the plan provided under this title, and each
7 AmeriCare supplemental plan (as defined in section
8 2279(3)), shall provide for an electronic system, that
9 is certified by the Secretary as meeting the stand-
10 ards established under subsection (b), for the
11 verification of an individual’s entitlement to benefits
12 under such plan.

13 “(2) DEADLINE FOR APPLICATION OF REQUIRE-
14 MENT.—The deadline specified under this paragraph
15 for the requirement under paragraph (1) is 6
16 months after the date the standards are established
17 under subsection (b).

18 “(b) STANDARDS FOR ENTITLEMENT VERIFICATION
19 SYSTEMS.—

20 “(1) IN GENERAL.—The Secretary shall estab-
21 lish standards consistent with this subsection re-
22 specting the requirements for certification of entitle-
23 ment verification systems.

24 “(2) INFORMATION AVAILABLE.—Such stand-
25 ards shall require a system to provide information,
26 with respect to individuals, concerning the following:

1 “(A) The specific benefits to which the in-
2 dividual is entitled under the plan.

3 “(B) Current status of the individual with
4 respect to fulfillment of deductibles, coinsur-
5 ance, and out-of-pocket limits on cost-sharing.

6 “(C) Restrictions on providers who may
7 provide covered services, including utilization
8 controls (such as preadmission certification).

9 “(3) FORM OF INQUIRY.—Each verification sys-
10 tem shall be capable of accepting inquiries under
11 this subsection from health care providers in a vari-
12 ety of electronic forms. The system shall also pro-
13 vide, for an additional fee, for the acceptance of in-
14 quiries in a nonelectronic form.

15 “(4) FORM OF RESPONSE.—Each such system
16 shall be capable of responding to such inquiries
17 under this subsection in a variety of electronic and
18 other forms, including—

19 “(A) through modem transmission of infor-
20 mation,

21 “(B) through computer synthesized voice
22 communication, and

23 “(C) through transmission of information
24 to a facsimile (fax) machine.

1 The system shall also provide, for an additional fee,
2 for the response to inquiries in a nonelectronic form.

3 “(5) LIMITATION ON FEES.—Neither the Sec-
4 retary nor an AmeriCare supplemental plan may im-
5 pose a fee for the acceptance or response to an in-
6 quiry under this subsection except where the accept-
7 ance or response is in a nonelectronic form.

8 “(6) WEBSITE AVAILABILITY TO PROVIDERS.—
9 The Secretary shall establish and maintain a website
10 through which—

11 “(A) health service providers may make in-
12 quiries, and receive responses, with respect to
13 the eligibility and benefits of an individual
14 under plans; and

15 “(B) AmeriCare supplemental plans may
16 make inquiries, and receive responses, to deter-
17 mine the liability of other plans for the provi-
18 sion or payment of benefits.

19 “(7) DEADLINE.—The Secretary shall first es-
20 tablish the standards under this subsection (and
21 shall establish the website under paragraph (6)) by
22 not later than 12 months after the date of the enact-
23 ment of this title.

24 “(c) HEALTH SERVICE PROVIDER DEFINED.—In
25 this section, the term ‘health service provider’ includes a

1 provider of services (as defined in section 1861(u)), physi-
 2 cian, supplier, and other entity furnishing health care
 3 services.

4 **“PART E—GENERAL PROVISIONS**

5 **“SEC. 2261. DEFINITIONS RELATING TO BENEFICIARIES**
 6 **AND INCOME.**

7 “(a) TERMS RELATING TO BENEFICIARIES.—In this
 8 title:

9 “(1) CHILD.—The term ‘child’ means an indi-
 10 vidual who throughout a month has not attained 24
 11 years of age.

12 “(2) LOW-INCOME INDIVIDUAL.—The term
 13 ‘low-income individual’ means an individual whose
 14 applicable modified gross income (as defined in sub-
 15 section (b)(1)) is less than 200 percent of the pov-
 16 erty level (as defined in subsection (b)(2)). The de-
 17 termination that an individual is a low-income indi-
 18 vidual shall be effective for a period of one year and
 19 shall be redetermined on an annual basis.

20 “(3) PREGNANT WOMAN.—The term ‘pregnant
 21 woman’ means a woman (regardless of age) who has
 22 been certified by a physician (in a manner specified
 23 by the Secretary) as being pregnant, until the last
 24 day of the month in which the 60-day period (begin-

ning on the date of termination of the pregnancy)
ends.

“(b) TERMS RELATING TO INCOME.—In this title:

“(1) APPLICABLE MODIFIED GROSS INCOME.—

“(A) IN GENERAL.—Except as provided in
this paragraph, the term ‘applicable modified
gross income’ means, for a calendar year for an
individual, the modified gross income (as de-
fined in section 202(a)(3)(B) of the AmeriCare
Health Care Act of 2009) of the taxpayer (or
the taxpayer for whom the individual may be
claimed as a dependent) for the taxable year
ending in the second previous calendar year.

“(B) APPLICATION OF CURRENT YEAR
MODIFIED GROSS INCOME.—

“(i) IN GENERAL.—Subject to clause
(ii), the Secretary shall establish a proce-
dure under which an individual may file a
declaration of estimated modified gross in-
come for a taxable year ending in a cal-
endar year, which modified gross income
will apply under this subsection as the ap-
plicable modified gross income for the cal-
endar year. Subject to clause (ii), such pro-
cedure shall be applicable regardless of

1 whether or not the individual filed a tax
2 return for the taxable year ending in the
3 second previous calendar year.

4 “(ii) LIMITATION ON APPLICATION.—
5 The Secretary may limit the application of
6 clause (i), in the case of individuals who
7 have filed tax returns for the taxable year
8 ending in the second previous calendar
9 year, to individuals with respect to whom
10 the applicable modified gross income will
11 be reduced by at least 20 percent as a re-
12 sult of the application of such clause.

13 “(iii) REQUIREMENT FOR RETURN.—
14 Any individual who has filed a declaration
15 under clause (i) for a calendar year is re-
16 quired to file an income tax return for the
17 taxable year in the calendar year, regard-
18 less of whether any income tax is actually
19 owed for the year. The failure of the indi-
20 vidual to file such a return makes the indi-
21 vidual liable for overpayments under this
22 title under clause (iv) in the same manner
23 as if this paragraph had not applied.

24 “(iv) COLLECTION FOR OVERPAY-
25 MENTS.—If a declaration of estimated

1 modified gross income is made applicable
2 to a calendar year under clause (i) and the
3 actual modified gross income for that tax-
4 able year exceeds such estimated modified
5 gross income, the individual shall be liable
6 to the United States for 110 percent of the
7 amount of additional payments made
8 under this title as a result of the use of
9 such estimated modified gross income in-
10 stead of the actual modified gross income
11 for that taxable year.

12 “(C) TRANSMITTAL OF INFORMATION.—By
13 not later than October 1 of each year, the Sec-
14 retary of the Treasury shall transmit to the
15 Secretary such information relating to the ap-
16 plicable modified gross income of individuals for
17 the taxable year ending in the previous year as
18 may be necessary to apply this title in the suc-
19 ceeding calendar year.

20 “(2) POVERTY LEVEL.—The term ‘poverty
21 level’ means, for an individual in a family, the offi-
22 cial poverty line (as defined by the Office of Man-
23 agement and Budget, and revised annually in ac-
24 cordance with section 673(2) of the Omnibus Budget

1 Reconciliation Act of 1981) applicable to a family of
2 the size involved.

3 **“SEC. 2262. INCORPORATION OF CERTAIN MEDICARE PRO-**
4 **VISIONS AND OTHER PROVISIONS.**

5 “(a) USE OF MEDICARE ADMINISTRATIVE CONTRAC-
6 TORS.—The Secretary shall provide for the administration
7 of this title through the use of medicare administrative
8 contractors in the same manner as title XVIII is carried
9 out through the use of such contractors, except that no
10 payment shall be made under this title except on the basis
11 of bills or charges that are submitted electronically in a
12 manner specified by the Secretary.

13 “(b) DEFINITIONS.—

14 “(1) IN GENERAL.—Except as otherwise pro-
15 vided in this title, the definitions contained in sec-
16 tion 1861 shall apply for purposes of this title in the
17 same manner as they apply for purposes of title
18 XVIII.

19 “(2) STATE; UNITED STATES.—(A) The term
20 ‘State’ means the 50 States and includes the Dis-
21 trict of Columbia, Puerto Rico, the Virgin Islands,
22 Guam, American Samoa, and the Northern Mariana
23 Islands.

24 “(B) The term ‘United States’ means all the
25 States.

1 “(c) CERTIFICATION, PROVIDER QUALIFICATION,
2 ETC.—The provisions of sections 1863 through 1875, sec-
3 tions 1877 through 1880, section 1883, section 1885, and
4 sections 1887 through 1895 shall apply to this title in the
5 same manner as they apply to title XVIII.

6 “(d) TITLE XI PROVISIONS.—The following provi-
7 sions shall apply to this title in the same manner as they
8 apply to title XVIII:

9 “(1) Sections 1124, 1126, and 1128 through
10 1128E (relating to fraud and abuse).

11 “(2) Section 1134 (relating to nonprofit hos-
12 pital philanthropy).

13 “(3) Section 1138 (relating to hospital proto-
14 cols for organ procurement and standards for organ
15 procurement agencies).

16 “(4) Section 1142 (relating to research on out-
17 comes of health care services and procedures), ex-
18 cept that any reference in such section to a Trust
19 Fund is deemed a reference to the AmeriCare Trust
20 Fund.

21 “(5) Part B of title XI (relating to peer review
22 of the utilization and quality of health care services).

23 “(6) Part C of title XI (relating to administra-
24 tive simplification).

1 “(e) OTHER PROVISIONS.—The provisions of section
 2 201(i) shall apply to this title and the AmeriCare Trust
 3 Fund in the same manner as they apply to title XVIII
 4 and the Federal Hospital Insurance Trust Fund.

5 **“SEC. 2263. STATE MAINTENANCE OF EFFORT PAYMENTS.**

6 “(a) CONDITION OF COVERAGE.—Notwithstanding
 7 any other provision of this title, no individual who is a
 8 resident of a State is eligible for benefits under this title
 9 for a month in a calendar year, unless the State provides
 10 (in a manner and at a time specified by the Secretary)
 11 for payment to the AmeriCare Trust Fund of 1/12th of
 12 the amount specified in subsection (b) for the year. Such
 13 funds shall be used offset the costs of providing subsidies
 14 for low-income individuals under section 202 of the
 15 AmeriCare Health Care Act of 2009.

16 “(b) MAINTENANCE OF EFFORT AMOUNT.—

17 “(1) IN GENERAL.—Subject to paragraph (3),
 18 the amount of payment specified in this subsection
 19 for a State for a year is equal to the amount of pay-
 20 ment (net of Federal payments) made by a State
 21 under its State plans under titles XIX and XXI for
 22 2008 for medical assistance for benefits described in
 23 paragraph (2).

24 “(2) BENEFITS DESCRIBED.—The benefits de-
 25 scribed in this paragraph with respect to State plans

1 of a State under titles XIX and XXI are benefits
2 which—

3 “(A) would be available under this title for
4 low-income individuals if this title had been in
5 effect in 2008; and

6 “(B) are for low-income individuals who—

7 “(i) with respect to the State plan
8 under title XIX, were required to be fur-
9 nished medical assistance under such title
10 XIX; or

11 “(ii) with respect to a State child
12 health plan under title XXI, were low-in-
13 come children.

14 **“SEC. 2264. MODIFICATION OF MEDICAID AND OTHER PRO-**
15 **GRAMS TO AVOID DUPLICATION OF BENE-**
16 **FITS.**

17 “(a) IN GENERAL.—Notwithstanding any other pro-
18 vision of law—

19 “(1) a State plan under title XIX and a State
20 child health plan under title XXI shall not provide
21 any medical assistance for benefits with respect to
22 which any payments may be made under this title;
23 and

24 “(2) a health benefits plan under chapter 89 of
25 title 5, United States Code, shall not provide bene-

1 fits for which any payment may be made under this
2 title.

3 “(b) REVIEW OF APPLICATION TO OTHER PRO-
4 GRAMS.—The Secretary shall conduct a review of the fea-
5 sibility of applying the policy described in subsection (a)
6 to additional Federal programs, such as the TRICARE
7 program under title 10, United States Code. Not later
8 than January 1, 2011, the Secretary submit to Congress
9 on such review and shall include in such report such rec-
10 ommendations for extending such policy to other Federal
11 programs as the Secretary deems appropriate.

12 **“SEC. 2265. CONSTRUCTION REGARDING CONTINUATION**
13 **OF OBLIGATIONS UNDER CURRENT GROUP**
14 **HEALTH PLAN CONTRACTS AND PROVISION**
15 **OF ADDITIONAL BENEFITS.**

16 “Nothing in this title shall be construed as—

17 “(1) affecting obligations for health care bene-
18 fits under group health plans as in effect on the date
19 of the enactment of this title, including such plans
20 established or maintained under or pursuant to one
21 or more collective bargaining agreements;

22 “(2) limiting the additional benefits that may
23 be provided under a group health plan to employees
24 or their dependents, or to former employees or their
25 dependents; or

1 “(3) limiting the benefits that may be made
2 available under a State program to residents of the
3 State at the expense of the State.

4 **“SEC. 2266. STANDARDS AND REQUIREMENTS FOR**
5 **AMERICARE SUPPLEMENTAL POLICIES.**

6 “(a) CERTIFICATION REQUIRED.—

7 “(1) IN GENERAL.—The Secretary shall estab-
8 lish rules and procedures consistent with this section
9 under which AmeriCare supplemental policies may
10 only be issued if they are certified by the Secretary
11 or under a State regulatory program approved by
12 the Secretary as meeting standards established
13 under subsection (b).

14 “(2) ENFORCEMENT.—Any person who issues
15 an AmeriCare supplemental policy in violation of
16 paragraph (1) is subject to a civil money penalty of
17 not to exceed \$25,000 for each such violation. The
18 provisions of section 1128A (other than the first
19 sentence of subsection (a) and other than subsection
20 (b)) shall apply to a civil money penalty under the
21 previous sentence in the same manner as such provi-
22 sions apply to a penalty or proceeding under section
23 1128A(a).

24 “(3) AMERICARE SUPPLEMENTAL POLICY.—For
25 purposes of this section, the term ‘AmeriCare sup-

1 plemental policy’ is a health insurance policy or
2 other health benefit plan offered by a private entity
3 to individuals who are entitled to have payment
4 made under this title, which provides reimbursement
5 for expenses incurred for services and items for
6 which payment may be made under this title but
7 which are not reimbursable by reason of the applica-
8 tion of deductibles, coinsurance amounts, or other
9 limitations imposed pursuant to this title; but does
10 not include—

11 “(A) any such policy or plan of the trust-
12 ees of a fund established by one or more em-
13 ployers or labor organizations (or combination
14 thereof) if the policy or plan offers benefits as
15 a direct service organization under section
16 1833, or

17 “(B) a policy or plan of a health mainte-
18 nance organization which offers benefits under
19 this title under section 2221(k).

20 For purposes of this section, the term ‘policy’ in-
21 cludes a certificate issued under such policy.

22 “(b) CERTIFICATION STANDARDS.—

23 “(1) ISSUANCE.—The Secretary shall develop
24 and publish specific standards consistent with this
25 section for AmeriCare supplemental policies and

1 shall consult with the Secretary of Labor regarding
2 the application of such standards to employee wel-
3 fare benefit plans under title I of the Employee Re-
4 tirement Income Security Act of 1974.

5 “(2) MORE STRINGENT STATE STANDARDS PER-
6 MITTED.—In the case of insured AmeriCare supple-
7 mental policies (as defined in subsection (d)(3)), a
8 State may implement standards that are more strin-
9 gent than the standards established under para-
10 graph (1), including—

11 “(A) additional limitations on pre-existing
12 exclusion limitations described in subsection
13 (c)(1)(B);

14 “(B) additional restrictions on the groups
15 of benefits described in subsection (c)(2) that
16 may be offered in AmeriCare supplemental poli-
17 cies in the State, so long as a core-only benefit
18 package described in subparagraph (A)(i) of
19 such subsection may be offered in the State;
20 and

21 “(C) requiring a higher loss-ratios than
22 those specified in subsection (c)(3);

23 “(c) STANDARDS.—The Secretary shall establish
24 standards for AmeriCare supplemental policies consistent
25 with the following:

1 “(1) NO DISCRIMINATION BASED ON HEALTH
2 STATUS.—

3 “(A) IN GENERAL.—Except as provided
4 under subparagraph (B), an AmeriCare supple-
5 mental policy may not deny, limit, or condition
6 the coverage under (or benefits of) the policy,
7 or vary premiums charged, based on the health
8 status, claims experience, receipt of health care,
9 medical history, or lack of evidence of insur-
10 ability, of an individual.

11 “(B) LIMITATION ON USE OF PRE-EXIST-
12 ING CONDITION EXCLUSIONS.—An AmeriCare
13 supplemental policy may exclude coverage with
14 respect to services related to treatment of a
15 pre-existing condition, except that—

16 “(i) the period of such exclusion may
17 not exceed 6 months;

18 “(ii) such exclusion shall not apply to
19 services furnished to newborns; and

20 “(iii) the period of exclusion under
21 clause (i) shall be reduced by 1 month for
22 each month in a period of continuous
23 health benefits coverage (as defined by the
24 Secretary) for the services involved.

1 For purposes of this subparagraph, a condition
2 is not pre-existing unless it was diagnosed or
3 treated during the 3-month period ending on
4 the day before the first date of such coverage.

5 “(2) SIMPLIFICATION OF BENEFITS.—

6 “(A) IN GENERAL.—Each AmeriCare sup-
7 plemental policy shall only offer benefits con-
8 sistent with the standards, promulgated by the
9 Secretary, that provide—

10 “(i) limitations on the groups or pack-
11 ages of benefits, including a core group of
12 basic benefits and not to exceed 9 other
13 different benefit packages, that may be of-
14 fered under an AmeriCare supplemental
15 policy;

16 “(ii) that a person may not issue an
17 AmeriCare supplemental policy without of-
18 fering such a policy with only the core-
19 group of basic benefits and without pro-
20 viding an outline of coverage in a standard
21 form approved by the Secretary;

22 “(iii) uniform language and defini-
23 tions to be used with respect to such bene-
24 fits; and

1 “(iv) uniform format to be used in the
2 policy with respect to such benefits.

3 “(B) INNOVATION.—The Secretary may
4 approve the offering of new or innovative and
5 cost-effective benefit packages in addition to
6 those provided under subparagraph (A).

7 “(3) MINIMUM LOSS RATIO REQUIRED.—An
8 AmeriCare supplemental policy, a specific disease
9 policy (as defined by the Secretary), or a hospital
10 confinement indemnity policy (as defined by the Sec-
11 retary) may not be issued or renewed unless the pol-
12 icy—

13 “(A) can be expected (in accordance with
14 a uniform methodology developed by the Sec-
15 retary and for periods beginning 24 months
16 after the date of original issue) to return to pol-
17 icyholders in the form of aggregate benefits at
18 least 85 percent of the aggregate amount of
19 premiums collected in the case of group policies
20 or at least 75 percent in the case of individual
21 policies (as defined by the Secretary); and

22 “(B) provides refunds and credits (in a
23 manner specified by the Secretary) for pre-
24 miums collected in excess of those consistent
25 with subparagraph (A).

1 “(4) GUARANTEED RENEWABILITY AND CON-
2 VERTIBILITY.—Each AmeriCare supplemental pol-
3 icy—

4 “(A) shall be guaranteed renewable and
5 may not be cancelled or nonrenewed solely on
6 the ground of health status of the individual or
7 for any reason other than nonpayment of pre-
8 mium or material misrepresentation; and

9 “(B) shall provide for—

10 “(i) a right of conversion to an indi-
11 vidual policy (with continuation of bene-
12 fits) in the case of termination by a group
13 policyholder or termination by a
14 certificateholder of membership in a group
15 through which the individual obtained cov-
16 erage;

17 “(ii) a right of continued coverage in
18 the case of a group policy that succeeds
19 another group policy; and

20 “(iii) suspension of coverage (for up
21 to 24 months and in a manner specified)
22 in the case of a policyholder who becomes
23 entitled to benefits under this title as a
24 low-income individual and who provides a

1 timely notice of election of such suspen-
2 sion.

3 “(5) ADDITIONAL STANDARDS APPLICABLE
4 ONLY TO INSURED POLICIES.—A carrier that offers
5 an insured AmeriCare supplemental policy (as de-
6 fined in paragraph (6)) to individuals and groups in
7 a State shall also comply with the following require-
8 ments:

9 “(A) OPEN ENROLLMENT.—The carrier
10 must offer the same policy to any other indi-
11 vidual or group in the State on a continuous,
12 year-round basis; except that—

13 “(i) in the case of policies offered
14 through an association which is composed
15 exclusively of employers (which may in-
16 clude self-employed individuals) and which
17 has been formed for purposes other than
18 obtaining health insurance, such require-
19 ment shall only apply to such employers
20 (and individuals) who are members of the
21 association; and

22 “(ii) a health maintenance organiza-
23 tion may deny enrollment with respect to
24 an individual based on the uniform appli-
25 cation of a geographic service area or over-

1 all enrollment limitation based on its finan-
2 cial or administrative capacity.

3 “(B) NOTICES AND RENEWAL PERIODS.—

4 The carrier shall provide advance notice of
5 terms for policy renewal, which terms shall—

6 “(i) be the same as the terms of
7 issuance, except for rates and administra-
8 tive changes;

9 “(ii) provide the same premium rates
10 as for a new issue; and

11 “(iii) provide a period of renewal of
12 not less than 12 months.

13 “(d) ADDITIONAL REQUIREMENTS.—

14 “(1) PROHIBITION OF DUPLICATION.—The Sec-
15 retary shall—

16 “(A) establish requirements that prohibit
17 (other than as required under Federal or State
18 law) the knowing sale or issuance to an indi-
19 vidual entitled to benefits under this title of
20 health insurance that duplicates benefits under
21 this title, of an AmeriCare supplemental policy
22 that duplicates another AmeriCare supple-
23 mental policy, or of another health insurance
24 policy that duplicates other benefits to which
25 the individual is entitled; and

1 “(B) provide exceptions to the prohibition
2 in subparagraph (A) for enrollment in group
3 health plans and similar employment-based poli-
4 cies and for policies which provide benefits di-
5 rectly and without regard to other coverage and
6 notice of such duplication.

7 “(2) DISCLOSURE REQUIREMENT.—The Sec-
8 retary shall establish a requirement that prohibits
9 the sale or issuance of an AmeriCare supplemental
10 policy to an individual, other than as a replacement
11 policy, without obtaining a statement (in a form
12 specified by the Secretary) that discloses other
13 health benefits coverage and that acknowledges limi-
14 tations on the need for an AmeriCare supplemental
15 policy, particularly in the case of a low-income indi-
16 vidual.

17 “(3) APPLICATION OF FALSE STATEMENT
18 SANCTIONS.—The provisions of paragraphs (1) and
19 (2) of section 1882(d) shall apply to an AmeriCare
20 supplemental policy under this section in the same
21 manner as they apply to medicare supplemental poli-
22 cies under such section.

23 “(4) LIMITATIONS ON SALES COMMISSIONS.—

24 “(A) IN GENERAL.—It is unlawful for a
25 person who provides for a commission or other

1 compensation to an agent or other representa-
2 tives with respect to the sale of an AmeriCare
3 supplemental policy (or certificate)—

4 “(i) to provide for a first year com-
5 mission or other first year compensation
6 that exceeds 200 percent of the commis-
7 sion or other compensation for the selling
8 or servicing of the policy or certificate in
9 a second or subsequent year; or

10 “(ii) to provide for compensation with
11 respect to replacement of such a policy or
12 certificate that is greater than the com-
13 pensation that would apply to the renewal
14 of the policy or certificate.

15 “(B) DEFINITION.—In subparagraph (A),
16 the term ‘compensation’ includes pecuniary and
17 nonpecuniary compensation of any kind relating
18 to the sale or renewal of a policy or certificate
19 and specifically includes bonuses, gifts, prizes,
20 awards, and finders’ fees.

21 “(e) INFORMATION DISCLOSURE.—The Secretary
22 shall provide, to all individuals entitled to benefits under
23 this title, such information as will permit such individuals
24 to evaluate the value of AmeriCare supplemental policies
25 to them and the relationship of any such policies to bene-

1 fits provided under this title. Such information shall in-
2 clude information on—

3 “(1) the requirements and prohibitions under
4 this section;

5 “(2) State and Federal agencies responsible for
6 compliance with such requirements and enforcement
7 of such prohibitions; and

8 “(3) the manner of submitting complaints re-
9 garding violations of such requirements and prohibi-
10 tions.

11 “(f) DEFINITIONS.—In this section:

12 “(1) CARRIER.—The term ‘carrier’ means any
13 person that offers an AmeriCare supplemental pol-
14 icy.

15 “(2) GROUP.—The term ‘group’ means 2 or
16 more employees of the same employer who normally
17 perform on a monthly basis at least 171/2 hours of
18 service per week for that employer.

19 “(3) HEALTH MAINTENANCE ORGANIZATION.—
20 The term ‘health maintenance organization’ has the
21 meaning given the term ‘eligible organization’ in sec-
22 tion 1876(b).

23 “(4) INSURED AMERICARE SUPPLEMENTAL
24 POLICY.—The term ‘insured AmeriCare supple-

mental policy’ means any AmeriCare supplemental policy provided through insurance.”.

TITLE II—FINANCING PROVISIONS

Subtitle A—Individual Contributions

SEC. 201. GENERAL OBLIGATION FOR INDIVIDUALS.

(a) PAYMENT OF PLAN PREMIUM.—

(1) IN GENERAL.—Each individual eligible for coverage under title XXII of the Social Security Act is liable for payment of the premium established under this section for such coverage of the individual and family members. An individual who is not receiving such coverage due to coverage under a group health plan described in section 2202(d) of such Act is not liable for payment of such premium with respect to such individual.

(2) DETERMINATION OF PREMIUM.—Such premium shall be established by the Secretary of Health and Human Services on the basis of the cost of coverage (determined on a State by State basis and including administrative costs) and shall be determined separately based on the class of enrollment for the individual (as determined under section 2202 of the Social Security Act).

1 (3) JOINT AND SEVERAL LIABILITY.—If more
2 than one individual is liable under this subsection
3 for payment of a premium for coverage of the same
4 individual under title XXII of the Social Security
5 Act, such individual shall be jointly and severally lia-
6 ble with each other individual who is so liable.

7 (b) REDUCTION FOR EMPLOYER CONTRIBUTIONS
8 AND LOW INCOME SUBSIDIES.—An individual's liability
9 under subsection (a) is reduced by—

10 (1) the amount of any contributions made by
11 the individual's employer (or employers) under sub-
12 title B or otherwise (including voluntary employer
13 contributions) with respect to coverage of the indi-
14 vidual and family members, and

15 (2) the amount of any premium subsidies pro-
16 vided with respect to the individual under section
17 202.

18 (c) TIMING AND MANNER OF PAYMENT.—Each indi-
19 vidual that is liable for a premium under subsection (a)
20 shall pay such premium in such form and manner as the
21 Secretary of the Treasury may specify. Except as other-
22 wise provided by the Secretary of the Treasury, for pur-
23 poses of subtitle F of such Code, the liabilities imposed
24 under subsection (a) shall be treated as if they were a
25 tax imposed under section 1 of such Code. The Secretary

1 of the Treasury shall provide for the withholding of such
 2 payments from wages under rules similar to the rules of
 3 chapter 24 of such Code. The Secretary of the Treasury
 4 may prescribe special rules for withholding payments from
 5 wages of individuals who work seasonally, part-time, or for
 6 more than one employer.

7 **SEC. 202. ADDITIONAL PREMIUM SUBSIDIES.**

8 (a) ELIGIBILITY FOR ADDITIONAL PREMIUM SUB-
 9 SIDIES.—

10 (1) IN GENERAL.—Each premium subsidy eligi-
 11 ble individual is entitled to a premium subsidy in ac-
 12 cordance with this section.

13 (2) PREMIUM SUBSIDY ELIGIBLE INDIVIDUAL.—In this section, the term “premium sub-
 14 VIDUAL.—In this section, the term “premium sub-
 15 sidy eligible individual” means an individual receiv-
 16 ing coverage under title XXII of the Social Security
 17 Act who—

18 (A) with respect to premiums for a taxable
 19 year ending in a year, has family income (as de-
 20 fined in paragraph (3)(A)) that is less than 300
 21 percent of the applicable poverty level, or

22 (B) with respect to a premium for a
 23 month, is an TANF or SSI recipient for the
 24 month.

25 (3) ADDITIONAL DEFINITIONS.—In this section:

(A) FAMILY INCOME.—The term “family income” means, with respect to an individual who—

(i) is not a dependent of another individual, the sum of the modified adjusted gross incomes (as defined in subparagraph (B)) for the individual, the individual’s spouse, and children who are dependents of the individual, or

(ii) is a dependent of another individual, the sum of the modified adjusted gross incomes (as defined in subparagraph (B)) for the other individual, the other individual’s spouse, and children who are dependents of the other individual.

(B) MODIFIED ADJUSTED GROSS INCOME.—The term “modified adjusted gross income” means adjusted gross income (as defined in the Internal Revenue Code of 1986)—

(i) determined without regard to sections 911, 931, and 933 of such Code, and

(ii) increased by—

(I) the amount of interest received or accrued by the individual

1 during the taxable year which is ex-
2 empt from tax, and

3 (II) the amount of the social se-
4 curity benefits (as defined in section
5 86(d) of such Code) received during
6 the taxable year to the extent not in-
7 cluded in gross income under section
8 86 of such Code.

9 The determination under the preceding
10 sentence shall be made without regard to
11 any carryover or carryback.

12 (C) APPLICABLE POVERTY LEVEL.—

13 (i) IN GENERAL.—The term “applica-
14 ble poverty level” means, for a family for
15 a year, the official poverty line (as defined
16 by the Secretary of Health and Human
17 Services) applicable to a family of the size
18 involved for 2011 adjusted by the percent-
19 age increase or decrease described in
20 clause (ii) for the year involved.

21 (ii) PERCENTAGE ADJUSTMENT.—The
22 percentage increase or decrease described
23 in this clause for a year is the percentage
24 increase or decrease by which the average
25 Consumer Price Index for all urban con-

sumers (U.S. city average), as published by the Bureau of Labor Statistics, for the 12-month-period ending with August 31 of the preceding year exceeds such average for the 12-month period ending with August 31, 2011.

(iii) ROUNDING.—Any adjustment made under clause (ii) for a year shall be rounded to the nearest multiple of \$100.

(D) TANF RECIPIENT.—The term “TANF recipient” means, for a month, an individual who is receiving aid or assistance under any plan of the State approved under title I, X, XIV, or XVI, or part A or part E of title IV, of the Social Security Act, for the month.

(E) SSI RECIPIENT.—The term “SSI recipient” means, for a month, an individual—

(i) with respect to whom supplemental security income benefits are being paid under title XVI of the Social Security Act for the month,

(ii) who is receiving a supplementary payment under section 1616 of such Act or under section 212 of Public Law 93–66 for the month, or

1 (iii) who is receiving monthly benefits
 2 under section 1619(a) of the Social Secu-
 3 rity Act (whether or not pursuant to sec-
 4 tion 1616(c)(3) of such Act) for the
 5 month.

6 (b) AMOUNT OF PREMIUM SUBSIDY.—

7 (1) LOWEST INCOME INDIVIDUALS.—

8 (A) IN GENERAL.—In the case of an indi-
 9 vidual described in subparagraph (B), the pre-
 10 mium subsidy under this section is the amount
 11 which would (without regard to this section) re-
 12 duce the premium obligation of the individual
 13 (and family members) under section 201 to
 14 zero.

15 (B) LOWEST INCOME INDIVIDUALS DE-
 16 SCRIBED.—An individual described in this sub-
 17 paragraph is a premium subsidy eligible indi-
 18 vidual who would still be such an individual
 19 under subsection (a)(2) if “200 percent” were
 20 substituted for “300 percent” in subparagraph
 21 (A) of such subsection.

22 (2) OTHER INDIVIDUALS.—

23 (A) IN GENERAL.—In the case of a pre-
 24 mium subsidy eligible individual not described

1 in paragraph (1), the premium subsidy under
 2 this section is the product of—

3 (i) the premium obligation of the indi-
 4 vidual (and family members) under section
 5 201, multiplied by

6 (ii) the number of percentage points
 7 by which the individual's family income
 8 (expressed as a percent of the applicable
 9 poverty level) is less than 300 percent.

10 (B) TABLE.—The Secretary may provide
 11 for a table which establishes the values for pre-
 12 mium subsidies under this paragraph.

13 (c) GENERAL REVENUE FINANCING FOR LOW IN-
 14 COME SUBSIDIES.—There are authorized to be appro-
 15 priated to the AmeriCare Trust Fund from amounts in
 16 the Treasury not otherwise appropriated, such sums as
 17 may be necessary to cover the costs of premium subsidies
 18 provided under this section.

19 **SEC. 203. EFFECTIVE DATE.**

20 The provisions of this subtitle shall apply with respect
 21 to periods beginning on or after January 1, 2011.

22 **Subtitle B—Employer**
 23 **Contributions**

24 **SEC. 211. GENERAL OBLIGATION FOR EMPLOYERS.**

25 (a) GENERAL OBLIGATION.—

1 (1) IN GENERAL.—Subject to the succeeding
2 provisions of this subsection, each employer shall
3 make a financial contribution toward the cost of
4 health insurance coverage for employees in accord-
5 ance with this section.

6 (2) ELIMINATION OF LIABILITY IN CASE OF
7 CERTAIN GROUP HEALTH PLAN COVERAGE.—

8 (A) IN GENERAL.—Subject to subpara-
9 graph (B), an employer shall not be liable for
10 any contribution under this section with respect
11 to any employee who is covered under a group
12 health plan of the employer described in section
13 2202(d) if such employer pays at least 80 per-
14 cent of the cost of such health plan, as deter-
15 mined by the Secretary of Health and Human
16 Services.

17 (B) SURCHARGE PERMISSIBLE TO PRE-
18 VENT ADVERSE SELECTION.—The Secretary
19 may impose liability for a contribution under
20 this section with respect to an employee de-
21 scribed in subparagraph (A) in an amount (not
22 to exceed the amount specified under subsection
23 (b)) insofar as the Secretary determines it nec-
24 essary to prevent adverse selection of the indi-

1 viduals enrolled under this title as a result of
2 the operation of such subparagraph.

3 (b) AMOUNT OF CONTRIBUTION.—

4 (1) FULL-TIME EMPLOYEES.—In the case of an
5 employee receiving coverage under title XXII of the
6 Social Security Act, the amount of the financial con-
7 tribution is equal to at least 80 percent of the pre-
8 mium determined with respect to such employee and
9 family members under section 201 (based on class of
10 enrollment and without regard to subsection (b)
11 thereof) or at least 80 percent of the cost of cov-
12 erage under such group health plan, respectively.

13 (2) REDUCTION FOR PART-TIME EMPLOYEES.—

14 In the case of a part-time employee, the employer
15 contribution requirements of paragraph (1) shall be
16 treated as satisfied if the employer contribution with
17 respect to such employee is not less than the part-
18 time employment ratio of the contribution required
19 under paragraph (1).

20 (3) RULES RELATED TO PART-TIME EMPLOY-
21 MENT.—For purposes of this subsection—

22 (A) PART-TIME EMPLOYEE.—The term
23 “part-time employee” means, with respect to
24 any month, an employee who works on average
25 fewer than 40 hours per week.

1 (B) PART-TIME EMPLOYMENT RATIO.—

2 The term “part-time employment ratio” means,
3 with respect to a part-time employee of an em-
4 ployer in a month, a fraction—

5 (i) the numerator of which is the
6 number of hours in the employee’s normal
7 work week, and

8 (ii) the denominator of which is 40
9 hours.

10 (C) SPECIAL RULES.—Under rules pre-
11 scribed by the Secretary of Health and Human
12 Services, in consultation with the Secretary of
13 the Treasury, in the case of an employee for an
14 employer whose defined work week for full-time
15 employees is less than 40 hours, any reference
16 in this subsection to 40 hours is deemed a ref-
17 erence to the number of hours in the work week
18 so defined.

19 (D) CONVERSION TO HOURS OF EMPLOY-
20 MENT.—The Secretary of Health and Human
21 Services, in consultation with the Secretary of
22 the Treasury, shall establish rules for the con-
23 version of compensation to hours of employ-
24 ment, for purposes of this subsection in the
25 case of employees that receive compensation on

1 a salaried basis, or on the basis of a commis-
 2 sion, or other contingent or bonus basis, rather
 3 than based on an hourly wage.

4 (c) TIMING AND MANNER.—

5 (1) IN GENERAL.—Each employer that is re-
 6 quired to make a financial contribution with respect
 7 to an employee under this section (other than with
 8 respect to coverage under a group health plan) or a
 9 surcharge under subsection (a)(2)(B) shall pay such
 10 contribution or surcharge in a form and manner,
 11 specified by the Secretary of the Treasury, based
 12 upon the form and manner in which employer excise
 13 taxes are required to be paid under section 3111 of
 14 the Internal Revenue Code of 1986.

15 (2) NON-ENROLLING EMPLOYERS.—In the case
 16 of an employee who is covered under the class of en-
 17 rollment of a family member, the Secretary of the
 18 Treasury shall provide that the financial contribu-
 19 tion of the employer with respect to such employee
 20 is paid directly or indirectly to the employer of such
 21 family member.

22 **SEC. 212. EFFECTIVE DATE.**

23 (a) IN GENERAL.—Subject to subsection (b), the pro-
 24 visions of this subtitle shall apply with respect to periods
 25 beginning on or after January 1, 2011.

1 (b) ADDITIONAL PERIOD FOR SMALL EMPLOYERS.—
2 The provisions of this subtitle shall not apply with respect
3 to an employer that has fewer than 100 employees (as de-
4 termined by the Secretary of the Treasury in consultation
5 with the Secretary of Health and Human Services) for pe-
6 riods beginning before January 1, 2014.

